

# **RETIREMENT BOARD MEETING**

**June 17, 2015**

**The Retirement Board Meeting of June 17, 2015 was held in the Lower Level Conference Room and called to order at 3:09 p.m.**

## **MEMBERS PRESENT:**

**Alfred Marciano Donald Cimini Brian Dunkley**

**Jane Jordan Scott Small Jeanne Muto-Kyle**

**William DePasquale Timothy Kelly**

**Camille**

**Vella-Wilkinson**

**Ernest Zmyslinski**

## **MEMBERS NOT PRESENT:**

**Scott Lajoie**

## **ALSO IN ATTENDANCE:**

**Diana Pearson, Esq.**

## **OLD BUSINESS:**

## **1. Minutes of Previous Meeting**

**Minutes of the Retirement Board Meetings of January 2, 2015 & March 18, 2015 (open minutes & closed minutes) were brought before the Board for their review and approval.**

**Retirement Board Meeting**

**June 17, 2015**

**Page Two**

**MOTION: Scott Small**

**To approve the Retirement Board Open Minutes for January 2, 2015 and March 18, 2015.**

**Seconded by Camille Vella-Wilkinson and approved unanimously by the Board members present.**

**MOTION: Timothy Kely**

**To approve the Retirement Board Closed Minutes for March 18, 2015.**

**Seconded by Ernie Zmyslinski and approved unanimously by the Board members present.**

**William DePasquale noted for the record that he was absent from the closed session meeting on March 18, 2015.**

## **2. Pension Ordinance Revision Update**

**Jane Jordan indicated there is no update at this time.**

## **3. Portfolio Monitoring Report**

**Alfred Marciano advised the Board of updates on the Wright Medical Case.**

**Our case was stayed in favor of a case that was filed in Delaware. The Delaware case apparently has settled for disclosures with no damages. We will be following Delaware's lead but there may not be any recovery.**

**There is another case that they reported on, we have a loss but there is lead plaintiff that has a much larger loss. We will be following their lead.**

# **Retirement Board Meeting**

**June 17, 2015**

**Page Three**

## **NEW BUSINESS:**

### **1. PRESENTATIONS TO THE BOARD**

**The following representatives made presentations to the Board on behalf of their companies and answered any related questions:**

**Infinity Benefit Recovery Program**

**Presented by Ed Caveney and Teddy Skokos**

**Pension Insurance Company (PICO)**

**Presented by Ralph Mollis and Karl Anderson**

**Evergreen Programs**

**Presented by Ernest Baptista**

**Materials for all presentations were distributed to the Board members in advance.**

### **2. Quarterly Performance Report**

**Tony Tranghese, from Fiduciary Investment Advisors presented the**

quarterly performance report for the First quarter of 2015 along with year to date performance.

Tony explained that the 1st quarter of the Define Benefit Fiduciary Governance Calendar focuses on fees. The weighted average investment management fee is 0.46%, in dollars for the calendar year end was approximately \$1,846,700. The custodian fee was approximately \$120,000. FIA Consulting fee was approximately \$110,000.

State Street has shifted some of the primary back office team's responsibilities from Boston to Kansas City and as a result F.I.A.'s performance group that reconciles the statements has found many mistakes. Tony is in the process of scheduling a meeting with a senior person at State Street to try to fix the issue. F.I.A. is doing its job by catching monthly errors. If the issue cannot be fixed there is the possibility of having to go out to bid.

## **Retirement Board Meeting**

**June 17, 2015**

**Page Four**

The S&P 500 rose 1.3% for the month while small cap stocks, as measured by the Russell 2000 index, advanced 2.3%.

Non U.S. equities have performed very well so far this year, the EAFE index is up 8.6%. Small Cap Stock is up 11.56% and emerging market is up 5.7%. Non U.S. has outpaced U.S. equities. The Municipal plan

had a value of \$116,869,541 as of the end of May. Asset Allocation was pretty close to target. Allocation to international is 9.2% and about 44% is allocated to U.S. The global market's neutral standpoint is 50% international and 50% U.S. Tony doesn't believe that plans need to be 50/50, but moving more towards that ratio would be a good idea. The opportunity to add to non U.S. makes sense. Tony is proposing a 5% rebalancing from U.S. equities into international, which would get the dedicated percentage up to about 14% and to take pro-rata out of U.S. equity managers.

**MOTION: Jeanne Muto-Kyle**

To rebalance 5% from U.S.equities to International equities and take pro-rata out of U.S. equity managers.

Seconded by Donald Cimini and approved unanimously by the Board members present.

### **3. Cost of Living Adjustment**

Included in the Board members packet is a letter from Gabriel, Roeder, Smith & Company dated June 15, 2015, stating there will be no Cost of Living Adjustment for this year. After some discussion the following motion was made.

**MOTION: Scott Small**

**To accept the recommendation of Gabriel, Roeder, Smith & Company for no COLA increase this year.**

**Seconded by William DePasquale and approved unanimously by the Board members present.**

**Retirement Board Meeting**

**June 17, 2015**

**Page Five**

#### **4. Interest to be Applied to Contributions in the Plan**

**Alfred Marciano checked with Tony Trangese on the recommendation of William DePasquale as to how other municipalities apply interest to the plan. Tony advised that they use the three month T Bill rate. According to The Wall Street Journal dated June 16, 2015 that rate is 0.02%.**

**MOTION: Jeanne Muto-Kyle**

**To apply 0.02% interest for contributions in the plan.**

**Seconded by William DePasquale and approved unanimously by the**

**Board Members present.**

**5. Retirement Applications**

**The following Retirement Applications were brought before the Board for their approval.**

**Date of Retirement   Retiree   Years of Service   Type of Pension   Amount of Pension**

**6/1/2015   Andrew   Bathgate   33   years   5   months   75%**

**Optional \$4,011.11/\$3,008.33**

**6/1/2015   Barbara   Cahoon   25   years   8   months   Social Security Level**

**Income Until age 62   \$3,065.81**

**At age 62   \$2,111.92**

**MOTION:   Scott Small**

**To approve the Retirement Applications as submitted.**

**Seconded by Jeanne Muto-Kyle and approved unanimously by the Board members present.**

**6. Death Benefits**

**There were three Death Benefits @ \$8,000 and one for \$6,000 for a total of \$30,000 paid since the last Retirement Board of March 18,**



**2015.**

**Retirement Board Meeting**

**June 17, 2015**

**Page Slx**

**MOTION: Timothy Kelly**

**To accept of the payments as submitted.**

**Seconded by Camille Vella-Wilkinson and approved unanimously by the Board members present.**

**The following invoices from Gabriel Roeder, Smith & Co. and F.I.A . were presented to the Board members for approval of payment.**

**7. Fiduciary Investment Advisors**

**Gabriel, Roeder, Smith & Company**

**DATE Invoice # DESCRIPTION AMOUNT**

**12/31/2014 411477 Actuarial Valuation \$9,000.00**

**3/31/2015 412923 Actuarial Valuation \$9,750.00**

**subtotal \$18,750.00**

**Fiduciary Investment Advisors**

**3/31/2015 9611501 Quarterly Consulting Fee \$7,904.00**

**subtotal \$7,904.00**

**TOTAL \$26,654.00**

**MOTION: Jeanne Muto-Kyle**

**To accept payment of the invoices as submitted.**

**Seconded by Ernest Zmyslinksi and approved unanimously by the Board members present.**

## **8. Pending Litigation Update**

**Diana Pearson distributed copies of the complaint that was issued by the Attorney General's office and the answer filed by Peter Ruggeiro on behalf of the Board.**

**Retirement Board Meeting**

**June 17, 2015**

**Page Seven**

**There was some discussion about the importance of the Open Meetings Law.**

**MOTION: Scott Small**

**To adjourn the Retirement Board Meeting of June 17, 2015.**

**Seconded by Jeanne Muto- Kyle and approved unanimously by the Board members present.**

**Respectfully submitted,**

**Jane Jordan**

**Secretary**